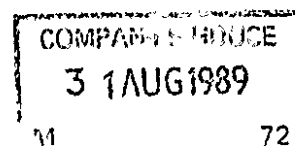


INDEPENDENT NEWSPAPERS (UK) LIMITED

DIRECTORS' REPORT AND ACCOUNTS

31 DECEMBER 1988

1370287



INDEPENDENT NEWSPAPERS (UK) LIMITED

DIRECTORS' REPORT

The Directors submit their report and the accounts of the company for the 13 months ended 31 December 1988.

REVIEW OF THE BUSINESS

The company did not trade during the 13 month period ended 31 December 1988. The company acts as a holding company for Greater London and Essex Newspapers Limited which publishes free circulation newspapers in East London.

DIRECTORS

The Directors who held office during the period were:

LP Healy	(Irish)	- Chairman
NJ Leonard	(Irish)	
JJ Parkinson	(Irish)	
JF Meagher	(Irish)	

The interests of the Directors in the ultimate holding company are disclosed in that company's accounts.

AUDITORS

The auditors, Price Waterhouse, have indicated their willingness to be reappointed.

By Order of the Board

JJ McCORMACK

Secretary

3 April 1989

Registered office:

7-9 Rathbone Street
London W1P 1AF



Price Waterhouse



AUDITORS' REPORT TO THE MEMBERS OF
INDEPENDENT NEWSPAPERS (UK) LIMITED

We have audited the accounts on pages 3 to 4 in accordance with approved Auditing Standards.

In our opinion the accounts give a true and fair view of the state of the company's affairs at 31 December 1988 and comply with the Companies Act 1985.

R W

Chartered Accountants
London

3 April 1989

INDEPENDENT NEWSPAPERS (UK) LIMITED

BALANCE SHEET

	<u>31 December 1988</u>	<u>30 November 1987</u>
INVESTMENT IN GROUP COMPANY (Note 3)	2,463,279	2,463,279
CREDITORS (amounts falling due within one year)(Note 4)	<u>-</u>	<u>(41,355)</u>
TOTAL ASSETS LESS CURRENT LIABILITIES	2,463,279	2,421,924
CREDITORS (amounts falling due after more than one year)		
Advances from immediate holding company (Note 4)	(2,961,409)	(2,920,054)
	<u>£(498,130)</u>	<u>£(498,130)</u>
CAPITAL DEFICIENCY		
Authorised and called up share capital: 1,000 ordinary shares of £1 each	1,000	1,000
Profit and loss account accumulated deficit (Note 5)	(499,130)	(499,130)
	(498,130)	(498,130)
DIRECTORS		
LP Healy		
JJ Parkinson		
3 April 1989		
	<u>£(498,130)</u>	<u>£(498,130)</u>

The notes on page 4 form part of these accounts.



INDEPENDENT NEWSPAPERS (UK) LIMITED

NOTES TO THE ACCOUNTS - 31 DECEMBER 1988

1 ACCOUNTING POLICIES

The accounts have been prepared under the historical cost convention.

2 DIRECTORS' EMOLUMENTS

No Director received any emoluments in respect of services to the company during the period.

3 INVESTMENT IN GROUP COMPANY

1987 and 1988

Ordinary shares at cost

£2,463,279

This investment represents 80% of the ordinary share capital of Greater London and Essex Newspapers Limited, a company incorporated in the United Kingdom.

The company is not required to submit group accounts as it is a wholly owned subsidiary of Independent Newspapers Holdings Limited, incorporated in the United Kingdom.

In the opinion of the Directors the value of the investment in the subsidiary company is not less than the amount at which the investment is stated in the balance sheet.

4 ADVANCES FROM IMMEDIATE HOLDING COMPANY

The advances are non-interest bearing and unsecured. The Directors do not intend to repay the advances prior to 31 December 1989.

CONTINGENT LIABILITY

- 5 The company is a guarantor to an agreement entered into by its immediate holding company for a revolving multi-currency facility of £40,000,000.

5 ULTIMATE HOLDING COMPANY

The ultimate holding company is Independent Newspapers Plc, a company incorporated in the Republic of Ireland.

The ultimate holding company has undertaken to provide such additional funds as may be required to enable the company to meet its obligations as they fall due.

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